

## ***Identification of the Area***

**Name or Designation: I-90 Corridor to NE Renton**

### **Area 75**

#### **Boundaries:**

West – Mercer Island and Lake Washington

North – SE 8<sup>th</sup> St to 132<sup>nd</sup> Ave NE to NE 8<sup>th</sup> St.

East – I-90 and Issaquah Hobart Rd., approximately

South – SE 135<sup>th</sup> St.

#### **Maps:**

A general map of the area is included in this report. More detailed Assessor's maps are located on the 7<sup>th</sup> floor of the King County Administration Building.

#### **Area Description:**

Area 75 is composed of the I-90 corridor from Mercer Island to Issaquah and south to include NE Renton. The I-90 corridor remains an important commercial market for businesses. Office and apartment vacancy rates have stabilized this year. Retail remains healthy.

Mercer Island, area 75-10, is a residential community located in Lake Washington between Seattle and Bellevue with a population of approximately 22,000 residents. The island provides a quick, 10 minute, express-lane commute to downtown Seattle via Interstate 90, and the same to Bellevue in the opposite direction. This creates a short commute to employment on either side of Lake Washington. This community provides excellent education, and it is a major motive for many to choose Mercer Island. The district consistently produces the highest scores in the state. Over 90% of its high school graduates go on to college. The median household income is \$91,904 per year. Mercer Island is a primarily residential community with more than 475 acres of parklands and open space. Mercer Island nurtures cultural exposure and boasts a youth theatre. Businesses, apartments, and condominiums are primarily concentrated on the north end of the island and generally speaking cater to Mercer Island residents as few non-residents come here to shop. Only one smaller shopping center consisting of a QFC grocery store, Starbuck's Coffee, medical offices, and other retail and services is located in the south end. Much of Mercer Island is serviced by the Metro public transportation system. The main zone codes in Mercer Island area TC, P, MF-2, MF-3, CO, B, PBZ, and an array of residential codes.

Areas 75-20 Factoria, 75-30 Bellevue/I-90 Corridor, 75-83 South Downtown Bellevue, 75-85 Lake Hills, & 75-86 Crossroads comprise the Bellevue neighborhoods. The city of Bellevue is located three miles east of Seattle, between Lake Washington and Lake Sammamish. It borders the city of Kirkland to the north, Redmond to the northeast, the Issaquah to the east, and Renton to the south. The residential population is 117,000, its daily workforce is 121,000, and its daytime population is 172,000.

Its employment base has been largely high tech based and it is expected to grow between 25% and 30% over the next 20 years. It is Washington's fifth largest city and has an area of 31 square miles.

Bellevue ranks 2<sup>nd</sup> in the state in both retail sales and property assessed values. Downtown Bellevue enjoys a mixture of office buildings, upscale retail, residential real estate (including many condominiums), and a cultural hub with the Meydenbauer Center and Bellevue Art Museum. The community of Bellevue is prosperous and it boasts some of the most expensive real estate values in King County. The Bellevue school district is one of the most highly regarded districts in the nation. It has many high tech amenities such as courses being taught entirely on computers. It has been nationally recognized by magazines like Newsweek. The student population exceeds 15,000. Bellevue offers many very well maintained parks and nature trails to its residents, thereby augmenting its appeal. Bellevue is also served by an efficient public transportation system which serves most of its areas and connects to other parts of the county. It consists of the southern and eastern portions and includes Factoria, the I-90 corridor, Newport Hills, and Lake Hills. Factoria is a major retail center for the southern portion of the city with many restaurants, shopping centers, and most necessary services being offered. The primary commercial zoning codes in Factoria area: F1, F2, F3, CB, O, R10, R20 and R30. Newport Hills and Lake Hills offer much smaller and more modest shopping and service facilities. The primary zoning codes in Lake Hills are NB, PO, R5, R10, R20, and R30.

The City of Newcastle, area 75-70, was incorporated in September of 1994 and has an area of 4.4 square miles. The population is nearly 8,000. The median household income is \$87,554 and thus it is most comparable to south Bellevue. It also boasts the opulent Newcastle Golf club. The primary zoning codes are CB, LOS, MU, O, R4, R6, R8, R12, and R24. This community is served by the Renton School District.

Newport Hills, again 75-70, is located south of Factoria along the I405 corridor. This community offers easy freeway access. It was largely developed in the 1960's and 1970's. Newport Hills has its own community shopping center and a swim club. The primary zoning codes in its business district are CB, PO, R5, and R30.

Renton, area 75-60, is centrally located in King County and it is accessible by I-405, SR 167, SR 169, and I-5. It is in close proximity to Seattle and Bellevue and the Seattle-Tacoma International Airport. Its favorable, more modest prices in residential real estate and lower commercial rental rates make it attractive for price conscious individuals. Renton has added an extensive amount of single family residential dwellings and therefore has increased its population base and need for services. It offers a trade technical school, a theater, and extensive parks, open space, and trail systems. General Coulon Park along Lake Washington is, by far, the most attractive and gets 1.5 million visitors per year. The city of Renton has a population of 53,878 residents and its current median household income is \$69,740.

Boeing has recently received approval by the City of Renton for rezoning its 280 acre plant along Lake Washington. The company is consolidating its sprawl plant and observers expect it to close in the next 10 to 15 years. The rezone will allow development of a new urban center on the waterfront. The new zoning will encourage a mix of taller and denser commercial and residential development. The city of

Renton also approved a plan to spend \$33 million dollars building roads, sewers, and other utilities. It is unknown whether Boeing has begun marketing this property at the present time.

The Renton Highlands have a great deal of commercial properties consisting of retail, restaurants, industrial sites, and an abundance of multi-family units. Along Sunset Boulevard, many buildings appear aged and some are being renovated or replaced altogether. NE 4<sup>th</sup> St has seen an increase of new neighborhood shopping centers that include many conveniences such as quality grocery stores, coffee houses, and video stores to service the considerable addition of new single-family homes in this area. Most of the commercial zoning codes in this area consist of CA, CC, CN, CO, CS, RM-1, RM-C, R8, R-10, IL, and IL-P.

Issaquah, area 75-50, is a residential community located along I-90 and it is about 18 miles from downtown Seattle. It was incorporated in 1892 with an approximate population of 13,790 residents in an area of 9.9 square miles. It is served by its own school district which enjoys a favorable reputation. Issaquah is considered a safe and desirable community. Issaquah enjoys many parks and open spaces and hosts an annual Salmon Days Festival.

Old Issaquah offers small town ambiance, swift access to I-90, and an abundance of amenities. Issaquah residents enjoy great restaurants, live theater, wineries, a Saturday public market, a historic depot, and Boehm's chocolate factory. Visitors come to explore the Issaquah area, which is surrounded by forests, a zoological park, and a salmon hatchery that has experienced a remarkable renovation. Cougar, Tiger, and Squawk Mountains attract hikers and nature lovers. Most of the retail and office space is now located on Gilman Boulevard and North of I-90. Old downtown Issaquah consists more of freestanding retail buildings (frequently under 2,000 SF) and modest office buildings occupied by small business owners rather than large chain industries. The primary zoning codes in Issaquah are: CBD, CF-F, CF-R, MF-H, MF-M, R, R4, SF-D, and SF-SL.

### ***Physical Inspection Area:***

Neighborhood 75-50 was physically inspected this year. It consists of the older portions of Issaquah: Front Street, E. Sunset Way, and the southeastern portions of the city. Many commercial structures in this area were built in the 1940's through the 1970's. Issaquah continues to deal with the Transportation Concurrency Ordinance which limits new construction. The ordinance is the biggest single challenge in this area, though sales of improved properties have continued to increase in price. Frequently new owners remodel the older buildings extensively.

### ***Preliminary Ratio Analysis***

A Preliminary Ratio Study was done in January of 2003. The study included sales of improved parcels and showed a COV of 16.67%.

The study was also repeated after application of the 2003 recommended values. The results are included in the validation section of this report, showing a change in the COV from 16.67 % to 8.56 %.

## ***Scope of Data***

### **Land Value Data:**

Vacant sales from 1/00 to 12/03 were given primary consideration for valuing land.

### **Improved Parcel Total Value Data:**

Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information is analyzed and investigated by the appraiser in the process of revaluation. Calling the purchaser or seller, inquiring in the field, or calling the real estate agent verified all sales if possible. Characteristic data is verified for all sales if possible. Due to time constraints, interior inspections were limited. Sales are listed in the "Sales Used" and "Sales Not Used" sections of this report. Additional information resides in the Assessor's procedure manual located in the Public Information area of the King County Administration Building.

### **Land Value**

### ***Land Sales, Analysis, Conclusions***

In analyzing the land sales of Area 75, the market has shown appreciation of values in most neighborhoods. Land increases were made to accommodate market appreciation.

Sales from 1/2000 to 12/2003 were used to determine indicated market ranges for each neighborhood based on zoning. In some neighborhoods, due to the lack of recent sales, older sales and sales from adjacent neighborhoods were considered.

The recommended land value for the 2004-assessment year (taxes payable in 2005) results in an overall average change from the 2003-assessment year of 11.06 %. The total assessed land value for the 2003 assessment year for Area 75 was \$1,010,709,400 and the total recommended land assessed value for the 2004 assessment year is \$1,122,495,800. This is primarily due to value increases for Mercer Island, Bellevue, and Renton.

## Area 75-10: Mercer Island

The most recent Mercer Island land sale involved parcel # 531510-1185, the downtown Mercer Island QFC. The land was purchased for \$48.49 per SF and the value was determined by an appraisal conducted by the parties. Parcels #531510-0947 and -0946 had dwellings that were torn down for new condominiums though they were not built till 2002. Parcel # 302405-9227 had been part of the Greenwood Village Shopping Center in the south end. It was subsequently segmented into 15 lots and each one sold for \$225,000 as a single-family parcel.

Vacant land prices for commercially zoned parcels in Mercer Island are now in the mid \$40 per SF range.

Parcel Number	Sale Date	Sale Price	Lot Size	Zoning	Neighborhood	Price/SqFt
302405-9227	May-00	\$1,800,000	49,638	SFR	South Mercer Island	\$36.26
531510-0947	Jul-99	\$1,260,000	28,770	MF-2	North Mercer Island	\$43.79
531510-1185	Jul 03	\$4,300,000	88,672	TC	North Mercer Island	\$48.49

The average increase for land on Mercer Island is 25.99% over last year's value.

## Areas 75-20 Factoria, 75-30 Bellevue/I-90 Corridor, 75-83 South Downtown Bellevue, 75-85 Lake Hills, & 75-86 Crossroads comprise the Bellevue neighborhoods.

Commercial new construction continues at a steady pace in 2003. Residential new construction is stable. Land prices continue to increase due to its scarcity.

The Factoria area continues to be the major commercial force in south Bellevue with abundant offices, retail, and services. The population density in this area has continued to increase due to the addition, not only of single-family homes, but also of apartment and condominium buildings. Factoria continues to draw large numbers of shoppers from its surrounding neighborhoods. The I-90 corridor continues to be dominated by office buildings and retail. The highest land sale, parcel # 102405-9045 at \$50.64 per SF, is located along I-90. Sub-area 75-83 runs along the I-405 corridor and it is generally populated by office complexes and industrial/warehouse type buildings. The surrounding neighborhoods 75-85, and 75-86 are older communities with smaller, usually older shopping centers.

Parcel Number	Sales Date	Sales Price	Price/SqFt	Lot Size	Zone	Neighborhood
220150-1406	May-00	\$ 475,000	\$ 21.30	22,300	CB	Eastgate
042405-9010	Jan-00	\$ 2,000,000	\$ 19.79	101,081	L1/C	SW Bellevue
092405-9168	Aug-02	\$ 1,300,000	\$ 8.45	153,795	L1/C	SW Bellevue
102405-9034	Mar-01	\$ 1,600,000	\$ 11.37	140,689	L1	Kamber Rd
102405-9045	Dec-02	\$ 3,053,000	\$ 50.64	60,290	OLB	I-90 Corridor
092405-9138	Jun-02	\$ 150,000	\$ 5.10	29,388	R-20C	SW Bellevue
092405-9138	Oct -03	\$ 306,000	\$ 10.41	29,388	R-20C	SW Bellevue
162405-9198	Oct-02	\$ 450,000	\$ 35.84	12,555	R30	Factoria

The overall increase in this area is 9.40%.

**Areas 75-50 Old Downtown Issaquah & 75-70 South Issaquah/Maple Valley/  
Newcastle/Kennydale**

Issaquah has experienced much pressure due to its growing residential community and commercial development which in turn have created extensive needs for services, shopping, and schools. The transportation concurrency ordinance was enacted to control the amount of traffic. It has decreased the number of building permits being issued. It is unclear, according to the City of Issaquah, the length of time this ordinance will remain in place because it will not be lifted till major transportation and road projects are complete within the City of Issaquah. There were fewer land sales within the City of Issaquah boundaries. Many undeveloped parcels have been impacted and will be issued permits based on the number of trips per day generated by the residents rather than being developed to the maximum capacity allowed by the zoning. Therefore, land prices within the City of Issaquah remained relatively stable and many were unchanged.

Multi-family and commercial property values diminish considerably the further south one moves away from Gilman Blvd. Multi-family zoning was valued between \$6 and \$16 per SF depending on location, lot size, and other pertinent factors such as sensitive areas and topography. Other commercially zoned parcels, such as R (retail) and CB (commercial business) were valued between \$12 and \$20 per SF depending on location.

Area	Parcel Number	Sales Date	Sales Price	Price per SqFt	Lot Size	Zone	Neighborhood
75-50	884390-0080	Apr-01	\$ 248,000	\$ 20.67	12,000	MF-M	Issaquah
75-50	272406-9048	Mar-01	\$ 740,900	\$ 20.00	37,044	R	E Issaquah
75-70	165650-0025	Jul-02	\$ 210,000	\$ 4.93	42,592	NB	May Valley
75-70	242405-9043	Apr-01	\$ 1,500,000	\$ 4.52	331,927	R1	Newcastle
75-70	202406-9058	Apr-02	\$ 1,400,000	\$ 7.53	185,870	PO	I-90/Issaquah
75-70	282405-9009	Apr-02	\$ 270,000	\$ 19.64	13,745	RS7200	Newport Hills
75-70	334330-1105	Oct-03	\$ 700,000	\$ 12.82	54,581	CA	Kennydale
75-70	272405-9021	Jun-03	\$ 2,670,282	\$ 19.03	140,316	R6	Newcastle

Parcels with wetlands differ in price because their building potential varies greatly from site to site.

The overall land assessment in Issaquah/Newcastle/May Valley increased by an average of 13.22% with the primary increases in Newcastle, Kennydale, and May Valley. Issaquah values remained relatively stable.

## **Area 75-60: Renton Highlands**

Renton continues to grow and add new single family dwelling units and strip malls. Most new construction is concentrated in the Renton Highlands on NE 4<sup>th</sup>. One new commercial center with a mix of retail, restaurants, and services has been completed. This neighborhood is the most appealing in the Renton Highlands.

Multi-Family parcels in the Renton Highlands were valued \$6 and \$8 per SF, depending on location, lot size, topography, etc.

Commercially zoned (CN, CS, CC, CA) parcels were valued between \$10 and \$14 per sq. ft., depending on location.

The Kennydale area of Renton had few sales this past year.

Here, the average increase in assessed land values, from 2003 to the 2004 roll year, was 12.31%.

<b>Parcel Number</b>	<b>Sales Date</b>	<b>Sales Price</b>	<b>Price/SqFt</b>	<b>Lot Size</b>	<b>Zone</b>	<b>Neighborhood</b>
092305-9197	Jun-02	\$ 325,000	\$ 8.67	37,500	CB	Highlands
042305-9155	Feb-00	\$ 250,000	\$ 14.66	17,059	CB	Highlands
722790-0018	Jan-03	\$ 385,000	\$ 34.38	11,200	CB	Highlands
516970-0120	Mar-02	\$ 500,000	\$ 12.03	41,580	CN	Highlands
516970-0119	Jan-03	\$ 235,000	\$ 16.85	13,947	CN	Highlands
092305-9241	Apr-01	\$ 200,000	\$ 9.96	20,072	CS	Highlands
102305-9012	Jun-01	\$ 475,000	\$ 8.00	99,148	CS	Highlands
092305-9103	Nov-01	\$ 2,100,000	\$ 8.25	254,667	CS	Highlands
162305-9062	Aug-01	\$ 1,250,000	\$ 3.82	327,136	MR	Highlands
162305-9061	Oct-01	\$ 4,320,000	\$ 4.83	894,694	R-10	Highlands
334450-0445	Feb-01	\$ 160,000	\$ 4.54	35,255	RM-1	Kennydale
092305-9161	Jul-03	\$ 400,000	\$ 6.10	65,613	RM-C	Highlands

## **Improved Parcel Total Values:**

### ***Sales comparison approach model description***

The model for sales comparison was based on four data sources from the Assessor's records; occupancy codes, age, condition, and size. There are 52 improved sales in Area 75 considered fair market transactions reflective of market conditions. The sales are organized into market segments based on predominate use. Based on a sales analysis, each segment reflected a market price per square foot of net rentable area. The sales price ranges served to establish a general upper and lower market boundary for the various property types within each subject area.

The market segments in Area 75 are generally the following property types with the sales price per square foot of net rentable area:

Office	\$144 to \$366 Per Sq. Ft.	Median Sales Price - \$243 Per Sq. Ft.
Retail	\$102 to \$337 Per Sq. Ft.	Median Sales Price - \$198 Per Sq. Ft.
Warehouse/Industrial	\$83 to \$111 Per Sq. Ft.	Median Sales Price - \$87 Per Sq. Ft.

### **Sales comparison calibration**

The search for comparable sales was within each geographic neighborhood and expanding to include the surrounding neighborhoods within the geographic area. Location, quality and effective age were factors considered for adjustment.

### **Cost approach model description**

The Marshall & Swift Commercial Estimator was used to automatically calculate cost estimates for all properties. Cost estimates were relied upon in almost every instance of exempt properties including schools, churches, fire stations and public utility buildings, and served also as value indicators for new construction projects. Cost estimates were also relied upon for special use properties where no income data or market data exists.

### **Cost calibration**

The Marshall & Swift Valuation modeling system built into the Real Property Application is calibrated to the western region and the Seattle area. Depreciation is also based on studies done by Marshall & Swift Valuation Service.

### ***Income capitalization approach model description***

Economic income information was collected predominately from the market place. Other sources of income information include but are not limited to, sales reporting services such as: 'Comps', data collected in the field (both asking and actual rates), fee appraisals, journals and publications. Economic income tables were developed to perform an income approach for properties in Area 75. Tables were created for retail, office, medical/dental office, service garage, warehouses, light industrial, and supermarkets. A 'no income' table was created to include those properties where the income approach is not applicable such as, exempt properties including schools, churches, fire stations and public utility



buildings. In addition, no income approach was developed for those special use properties where no income information exists.

### **Income approach calibration**

The tables were calibrated after setting economic rents, vacancy, expenses and capitalization rates by using adjustments based on size, effective age, and construction quality as recorded in the Assessor's records.

The tables used are included in the addenda of this report. The following is a brief summary of the rents and rates used in this revalue for the major property types.

<b>Property Type</b>	<b>Typical Rent</b>	<b>Rent Range</b>	<b>Expense Range</b>	<b>Cap Rate Range</b>
Office	\$12 to \$25	\$10 to \$29	\$6.50 to \$8.00	7.25% to 9.75%
Smaller Retail	\$14.50 to \$24.50	\$12.50 to \$28	5 % to 10 %	7.75% to 10.00%
Larger Retail	\$9.00 to \$17.50	\$8.50 to \$19.50	10% to 15%	7.75% to 10.00%
Warehouse/Industrial	\$5.50 to 8.00	\$4.50 to \$9.00	8.50% to 15%	8.25% to 10%
Service Garage	\$7.50 to \$12.50	\$6.50 to \$13.50	8.50% to 15%	8.00% to 10%

Vacancy and credit loss for office buildings was calculated as follows:

NRA less than 10,000 SF at 7%

NRA between 10,001 SF and 20,000 SF at 9%

NRA between 20,001 SF and 40,000 at 11%

NRA between 40,001 SF and 79,999 SF at 13%

NRA over 80,000 SF at 15%

Vacancy for retail was calculated as follows:

NRA less than 5,000 SF at 8.5%

NRA greater than 5,000 SF at 10%

Vacancy and collection loss for all other property types was computed between 8.5% and 15%.

### ***Reconciliation and or validation study of calibrated value models including ratio study of hold out samples.***

The area appraiser reviewed all value estimates before final value selection. Each appraiser can adjust any or all of the factors used to establish value by the model. The market rents, as established by the

income model, were used as a guide in establishing the market rental rates used. The market rental rate applied varies somewhat but falls within an acceptable range of variation from the established guideline. The Senior Appraiser reviewed all final value selects before posting.

## **Model Validation**

### ***Total Value Conclusions, Recommendations and Validation:***

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is field reviewed and a value selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The Appraiser determines which available value estimate may be appropriate and may adjust by particular characteristics and conditions as they occur in the valuation area.

The new assessment level is 93.2%. This figure reflects changing market conditions and higher vacancy rates which are now prevalent in commercial properties. The standard statistical measures of valuation performance are presented both in the Executive Summary and in the 2003 and 2004 Ratio Analysis charts included in this report.

The total assessed value for the 2003 assessment year for area 75 was \$2,079,338,150. The total recommended assessed value for the 2004 assessment year is \$2,250,490,300.

Application of the recommended values for the 2004 assessment year (taxes payable in 2005) results in an average total change from the 2003 assessments of +8.23 %. The increase is due partly to a more stable vacancy rate, new construction, development of land, and increased land and improved property prices.

**Note:** More details and information regarding aspects of the valuations and the report are retained in the working files and folios kept on the 8<sup>th</sup> floor of the King County Administration Office.

## Present Improvement Ratio Calc

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:																						
East Crew	1/1/2003	1/8/2004	1/1/01 - 12/31/03																						
Area	Appr ID:	Prop Type:	Trend used?: Y / N																						
075-000	RUPE	Improvement	N																						
SAMPLE STATISTICS																									
Sample size (n)	52	<div><div>Ratio Frequency</div><table><thead><tr><th>Ratio</th><th>Frequency</th></tr></thead><tbody><tr><td>0.50 - 0.60</td><td>1</td></tr><tr><td>0.60 - 0.70</td><td>2</td></tr><tr><td>0.70 - 0.80</td><td>3</td></tr><tr><td>0.80 - 0.90</td><td>6</td></tr><tr><td>0.90 - 1.00</td><td>14</td></tr><tr><td>1.00 - 1.10</td><td>15</td></tr><tr><td>1.10 - 1.20</td><td>10</td></tr><tr><td>1.20 - 1.30</td><td>1</td></tr><tr><td>1.30 - 1.40</td><td>0</td></tr><tr><td>1.40 - 1.50</td><td>0</td></tr></tbody></table></div>		Ratio	Frequency	0.50 - 0.60	1	0.60 - 0.70	2	0.70 - 0.80	3	0.80 - 0.90	6	0.90 - 1.00	14	1.00 - 1.10	15	1.10 - 1.20	10	1.20 - 1.30	1	1.30 - 1.40	0	1.40 - 1.50	0
Ratio	Frequency																								
0.50 - 0.60	1																								
0.60 - 0.70	2																								
0.70 - 0.80	3																								
0.80 - 0.90	6																								
0.90 - 1.00	14																								
1.00 - 1.10	15																								
1.10 - 1.20	10																								
1.20 - 1.30	1																								
1.30 - 1.40	0																								
1.40 - 1.50	0																								
Mean Assessed Value	1,086,500																								
Mean Sales Price	1,351,700																								
Standard Deviation AV	2,125,303																								
Standard Deviation SP	2,752,268																								
ASSESSMENT LEVEL																									
Arithmetic mean ratio	0.881	<div>These figures reflect current assessments levels 2003 Tax Year/2004 Payable for area 75.</div>																							
Median Ratio	0.899																								
Weighted Mean Ratio	0.804																								
UNIFORMITY																									
Lowest ratio	0.4930	<div>These figures reflect current assessments levels 2003 Tax Year/2004 Payable for area 75.</div>																							
Highest ratio:	1.1243																								
Coefficient of Dispersion	12.85%																								
Standard Deviation	0.1468																								
Coefficient of Variation	16.67%																								
Price-related Differential	1.10																								
RELIABILITY																									
95% Confidence: Median																									
Lower limit	0.847	<div>These figures reflect current assessments levels 2003 Tax Year/2004 Payable for area 75.</div>																							
Upper limit	0.962																								
95% Confidence: Mean																									
Lower limit	0.841	<div>These figures reflect current assessments levels 2003 Tax Year/2004 Payable for area 75.</div>																							
Upper limit	0.921																								
SAMPLE SIZE EVALUATION																									
N (population size)	805	<div>These figures reflect current assessments levels 2003 Tax Year/2004 Payable for area 75.</div>																							
B (acceptable error - in decimal)	0.05																								
S (estimated from this sample)	0.1468																								
Recommended minimum:	33																								
Actual sample size:	52																								
Conclusion:	OK																								
NORMALITY																									
Binomial Test																									
# ratios below mean:	25	<div>These figures reflect current assessments levels 2003 Tax Year/2004 Payable for area 75.</div>																							
# ratios above mean:	27																								
z:	0.138675049																								
Conclusion:	Normal*																								
*i.e., no evidence of non-normality																									

## Merge Improvement Ratio Calc

Quadrant/Crew:		Lien Date:		Date:		Sales Dates:															
East Crew		1/1/2004		3/31/2004		1/1/01 - 02/29/04															
Area		Appr ID:		Prop Type:		Trend used?: Y / N															
75		RUPE		Improvement		N															
SAMPLE STATISTICS																					
Sample size (n)		52		<div>Ratio Frequency</div> <table><thead><tr><th>Ratio</th><th>Frequency</th></tr></thead><tbody><tr><td>0.8-0.9</td><td>4</td></tr><tr><td>0.9-1.0</td><td>4</td></tr><tr><td>1.0-1.1</td><td>27</td></tr><tr><td>1.1-1.2</td><td>15</td></tr><tr><td>1.2-1.3</td><td>1</td></tr><tr><td>1.3-1.4</td><td>1</td></tr></tbody></table>				Ratio	Frequency	0.8-0.9	4	0.9-1.0	4	1.0-1.1	27	1.1-1.2	15	1.2-1.3	1	1.3-1.4	1
Ratio	Frequency																				
0.8-0.9	4																				
0.9-1.0	4																				
1.0-1.1	27																				
1.1-1.2	15																				
1.2-1.3	1																				
1.3-1.4	1																				
Mean Assessed Value		1,259,300																			
Mean Sales Price		1,351,700																			
Standard Deviation AV		2,510,731																			
Standard Deviation SP		2,752,268																			
ASSESSMENT LEVEL																					
Arithmetic mean ratio		0.972																			
Median Ratio		0.988																			
Weighted Mean Ratio		0.932																			
UNIFORMITY																					
Lowest ratio		0.7603																			
Highest ratio:		1.2090																			
Coefficient of Dispersion		5.61%																			
Standard Deviation		0.0832																			
Coefficient of Variation		8.56%																			
Price-related Differential		1.04																			
RELIABILITY																					
95% Confidence: Median																					
Lower limit		0.967																			
Upper limit		0.998		<div>These figures reflect the new 2004 tax roll year values / 2005 payable.</div>																	
95% Confidence: Mean																					
Lower limit		0.950																			
Upper limit		0.995																			
SAMPLE SIZE EVALUATION																					
N (population size)		814																			
B (acceptable error - in decimal)		0.05																			
S (estimated from this sample)		0.0832																			
Recommended minimum:		11																			
Actual sample size:		52																			
Conclusion:		OK																			
NORMALITY																					
Binomial Test																					
# ratios below mean:		21																			
# ratios above mean:		31																			
z:		1.248075442																			
Conclusion:		Normal*																			
*i.e., no evidence of non-normality																					

### Improvement Sales for Area 075 with Sales Used

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par . Ct.	Ver. Code
075	010	531510	1137	3,776	1968374	\$1,272,653	06/25/03	\$337.04	CORRY'S DRY CLEANING	B	1	2
075	010	531510	1250	8,238	2005611	\$2,000,000	12/02/03	\$242.78	COLDWELL BANKER BAIN	TC	1	2
075	010	531510	1440	12,237	1826770	\$2,550,000	06/29/01	\$208.38	KEY BANK	B	1	2
075	010	545230	0455	9,832	1819816	\$3,600,000	05/14/01	\$366.15	ISLAND CREST CENTER	B	1	2
075	010	545230	0640	14,688	1965185	\$3,921,000	06/09/03	\$266.95	ONE MERCER PLAZA	B	1	2
075	010	545900	0450	11,106	1996126	\$3,030,000	10/15/03	\$272.83	FIRST MERCER BLDG	R2	1	2
075	020	545330	0193	8,976	1990424	\$1,000,000	09/23/03	\$111.41	NORWOOD CUSTOM CRAFT	LI	1	2
075	020	545330	0241	34,481	1990776	\$4,950,000	09/25/03	\$143.56	OFFICE BUILDING	LI	1	2
075	020	607340	0130	0	1873950	\$80,000	03/18/02	\$0.00			1	2
075	020	607340	0170	0	1962177	\$85,000	05/30/03	\$0.00			1	2
075	020	607340	0230	0	2001058	\$78,000	11/10/03	\$0.00		R2.5	1	2
075	020	607340	0250	0	1801342	\$31,000	02/13/01	\$0.00		OU	1	2
075	020	607340	0850	0	1921533	\$80,000	11/12/02	\$0.00			1	2
075	020	607340	2020	0	1994480	\$70,000	10/10/03	\$0.00			1	2
075	020	607340	2080	0	1963355	\$67,000	06/03/03	\$0.00			1	2
075	020	607340	2440	0	2002374	\$75,000	11/17/03	\$0.00		R2.5	1	2
075	020	607340	2570	0	2016737	\$56,000	02/01/04	\$0.00		R2.5	1	2
075	020	607340	3080	0	1876882	\$33,000	03/29/02	\$0.00		R2.5	1	2
075	020	607340	3300	0	1897072	\$35,000	07/10/02	\$0.00		OU	1	2
075	020	607340	3530	0	1893092	\$22,000	06/20/02	\$0.00			1	2
075	020	607340	3630	0	1860126	\$25,000	12/27/01	\$0.00			1	2
075	020	607341	0180	0	1957825	\$69,600	05/09/03	\$0.00		R2.5	1	2
075	020	607341	0270	0	1863621	\$68,000	01/14/02	\$0.00		R2.5	1	2
075	020	607341	0300	0	1877264	\$68,000	04/01/02	\$0.00			1	2
075	020	607341	0400	0	1868424	\$68,000	02/14/02	\$0.00		OU	1	2
075	020	607341	0430	0	1991126	\$69,500	09/26/03	\$0.00			1	2
075	030	102405	9123	63,351	1996754	\$12,080,000	10/22/03	\$190.68	AMI BUILDING	OLB	1	2
075	030	102405	9131	82,000	1809025	\$15,000,000	03/30/01	\$182.93	EASTPOINTE PLAZA	OLB	1	2
075	030	545330	0292	18,400	1914149	\$1,600,000	10/03/02	\$86.96	WSI WEAPONS SAFETY INC	L1	1	2
075	050	272406	9018	4,584	1936280	\$985,000	01/23/03	\$214.88	IOOF BLDG	CBD	1	2
075	050	282406	9059	4,800	1949223	\$825,000	03/20/03	\$171.88	RETAIL/OFFICE	CBD	1	2
075	050	282406	9085	2,520	1968669	\$500,000	06/20/03	\$198.41	DON'S DECOR	CBD	1	2
075	050	282406	9222	1,128	1809445	\$300,000	03/25/01	\$265.96		MF-M	1	2

### Improvement Sales for Area 075 with Sales Used

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par . Ct.	Ver. Code
075	050	760060	0065	3,720	1831617	\$580,000	07/26/01	\$155.91	ISSAQUAH FLORAL MASONRY	CBD	1	2
075	060	032305	9024	3,050	1804490	\$440,000	03/01/01	\$144.26	SUNRISE FAMILY DENTAL CENTER	CN	1	2
075	060	032305	9044	7,314	1950761	\$1,200,000	04/03/03	\$164.07	KINDER CARE	CN	1	2
075	060	042305	9145	1,800	1796655	\$330,000	01/02/01	\$183.33	SUNSET PET CLINIC	CB	1	2
075	060	042305	9169	2,792	1835596	\$285,000	08/14/01	\$102.08	SECURITY DESIGN	CB	1	2
075	060	092305	9233	4,236	2006320	\$564,000	11/16/03	\$133.14	VET CLINIC	CB	1	2
075	060	162305	9098	17,640	1933748	\$820,000	01/06/03	\$46.49	PRICE SETTERS MARKET	CB	1	2
075	060	285480	0140	5,138	1995580	\$789,900	10/10/03	\$153.74	MEDICAL DENTAL BLDG	CB	2	2
075	060	722790	0016	1,687	2000237	\$480,000	10/28/03	\$284.53	WEST ONE BANK	CB	1	2
075	060	722790	0017	3,201	1895270	\$517,500	06/28/02	\$161.67	HIGHLANDS MEDICAL-DENTAL	CB	1	2
075	070	063810	0220	11,760	1797279	\$420,000	01/17/01	\$35.71	RIDING STABLE	SR15.0	2	2
075	070	522930	0140	8,003	2011975	\$195,000	12/31/03	\$24.37	BARN & TACK SHOP	G5P	2	2
075	083	042405	9030	11,455	2006279	\$2,097,184	11/25/03	\$183.08	BANNERWOOD OFFICE BLDG	OU	1	2
075	083	573960	1450	2,062	1975112	\$650,000	07/24/03	\$315.23	BELLEVUE NURSERY	R-4	1	2
075	085	032405	9118	7,200	1901426	\$600,000	07/29/02	\$83.33	PAR DEE LUMBER SALES	OU	1	2
075	086	185410	0010	30,891	1958103	\$4,500,000	05/08/03	\$145.67	ALBERTSON PARKING	CB	2	2
075	086	883990	0248	3,200	1941931	\$800,000	02/20/03	\$250.00		PO	1	2